

# Lava Hot Springs Foundation

Analyst: Houston

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2007 Total App</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Approp</b>	<b>FY 2009 Request</b>	<b>FY 2009 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
Dedicated	1,954,600	1,858,000	1,268,000	1,714,000	1,628,800
Percent Change:		(4.9%)	(31.8%)	35.2%	28.5%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	654,600	646,100	694,700	791,000	808,400
Operating Expenditures	523,600	489,800	526,000	615,400	597,800
Capital Outlay	776,400	722,100	47,300	307,600	222,600
<b>Total:</b>	<b>1,954,600</b>	<b>1,858,000</b>	<b>1,268,000</b>	<b>1,714,000</b>	<b>1,628,800</b>
Full-Time Positions (FTP)	11.00	11.00	11.00	11.00	11.00

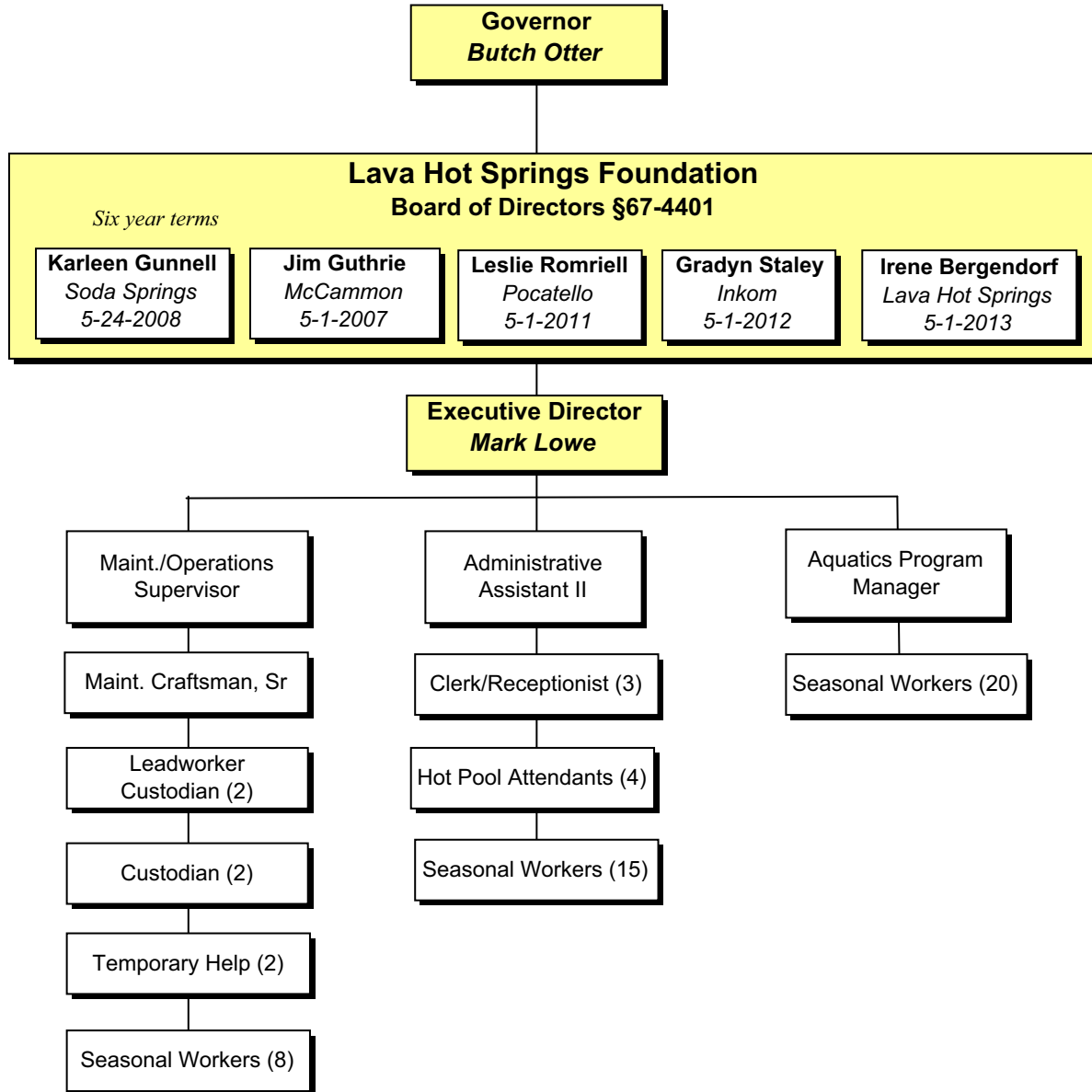
## Division Description

Land administered by the Lava Hot Springs Foundation, consisting of 178 acres along the Portneuf River in Bannock County, was purchased from the tribal government by the Federal Government in 1902. Later that year, the Federal Government ceded the land to the State of Idaho, with the provision that the State reserve the land for public use under such regulation as the State may prescribe. The State created the Foundation to manage the land. In 1962 and 1963, severe flooding damaged the Foundation's swimming pools and hot baths. Subsequently, the Foundation implemented a rebuilding program culminating in the construction of a new swimming pool recreation complex which was dedicated in August 1969.

Idaho Code, Section 67-4401, states that all rights to operate, manage, and control Lava Hot Springs are vested in the Lava Hot Springs Foundation. Such Foundation shall consist of a five member board, appointed by the Governor, on a staggered basis, for six-year terms. The Foundation employs 11 full-time equivalent positions and about 45 part-time people in the summer when the large swimming pool is open. The 25-yard pool of the Olympic Swimming complex is now enclosed and operational during the winter months. The hot baths are open all year. The Lava Hot Springs Foundation is a self-sustaining financial operation with all operating revenues generated from hot baths and swimming pool entrance fees, swimsuit, towel, and locker rentals, miscellaneous merchandise sales, and lease agreements.

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## Sources and Uses of Funds

	<u>FY 2007 Expenditures</u>	<u>FY 2008 Orig. Appropriation</u>	<u>FY 2009 Request</u>
<b>Lava Hot Springs Foundation (0410-03)</b>			
Receipts from swimming pool, hot baths, rentals and leases used to operate the facilities	\$1,150,800	\$1,268,000	\$1,479,000
<b>Lava Hot Springs Capital Improvement (0410-04)</b>			
The Foundation may transfer moneys over and above the costs of operations and maintenance to acquire, purchase, improve, repair, furnish, and equip facilities.	707,200	0	235,000
	<u>\$1,858,000</u>	<u>\$1,268,000</u>	<u>\$1,714,000</u>

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2008 Original Appropriation</b>	<b>11.00</b>	<b>0</b>	<b>1,268,000</b>	<b>11.00</b>	<b>0</b>	<b>1,268,000</b>
Removal of One-Time Expenditures	0.00	0	(47,300)	0.00	0	(47,300)
<b>FY 2009 Base</b>	<b>11.00</b>	<b>0</b>	<b>1,220,700</b>	<b>11.00</b>	<b>0</b>	<b>1,220,700</b>
Benefit Costs	0.00	0	31,100	0.00	0	31,100
Inflationary Adjustments	0.00	0	17,600	0.00	0	0
Replacement Items	0.00	0	72,600	0.00	0	72,600
Statewide Cost Allocation	0.00	0	31,800	0.00	0	31,800
Change in Employee Compensation	0.00	0	5,700	0.00	0	28,500
<b>FY 2009 Program Maintenance</b>	<b>11.00</b>	<b>0</b>	<b>1,379,500</b>	<b>11.00</b>	<b>0</b>	<b>1,384,700</b>
1. Minimum Wage Increase	0.00	0	50,400	0.00	0	45,000
2. Speed Slides - Lease and Staff	0.00	0	49,100	0.00	0	49,100
3. Infrastructure Improvements	0.00	0	150,000	0.00	0	150,000
4. Food Concession Stand	0.00	0	85,000	0.00	0	0
<b>FY 2009 Total</b>	<b>11.00</b>	<b>0</b>	<b>1,714,000</b>	<b>11.00</b>	<b>0</b>	<b>1,628,800</b>
Change from Original Appropriation	0.00	0	446,000	0.00	0	360,800
% Change from Original Appropriation			35.2%			28.5%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2008 Original Appropriation</b>	11.00	0	1,268,000	0	1,268,000
<b>Removal of One-Time Expenditures</b>					
Remove one-time funding provided for pool pumps, lawn tractor, and items for repairs of decks and walkways.					
Agency Request	0.00	0	(47,300)	0	(47,300)
Governor's Recommendation	0.00	0	(47,300)	0	(47,300)
<b>FY 2009 Base</b>					
Agency Request	11.00	0	1,220,700	0	1,220,700
Governor's Recommendation	11.00	0	1,220,700	0	1,220,700
<b>Benefit Costs</b>					
Includes \$2,075 per position or a 29% increase in employer-paid health insurance premiums (from \$7,125 to \$9,200 per year). Also includes funding to increase the employer retirement contribution rate by .61% of salary (from 10.39% to 11% for regular employees).					
Agency Request	0.00	0	31,100	0	31,100
The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year.					
Governor's Recommendation	0.00	0	31,100	0	31,100
<b>Inflationary Adjustments</b>					
This customized inflationary adjustment is a 3.35% increase over the base operating expenditures. It is calculated by applying inflationary rates ranging from 0% to 20% to each summary object based on historical spending patterns.					
Agency Request	0.00	0	17,600	0	17,600
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
<b>Replacement Items</b>					
Replacement items include \$12,600 for four pumps, \$5,000 for lawn care equipment, \$30,000 for a lawn tractor, and \$25,000 for walkway repairs. [One-time]					
Agency Request	0.00	0	72,600	0	72,600
Governor's Recommendation	0.00	0	72,600	0	72,600
<b>Statewide Cost Allocation</b>					
This decision unit includes adjustments for services provided by state agencies as follow: (\$1,900) for Attorney General fees, \$2,800 for State Controller fees, \$100 for State Treasurer fees, and \$30,800 for property and casualty insurance premiums for a total of \$31,800.					
Agency Request	0.00	0	31,800	0	31,800
Governor's Recommendation	0.00	0	31,800	0	31,800
<b>Change in Employee Compensation</b>					
Reflects the calculated cost of a 1% salary increase of \$3,900 for permanent positions and \$1,800 for group positions.					
Agency Request	0.00	0	5,700	0	5,700
The Governor recommends a compensation increase of 5% to be distributed based on merit.					
Governor's Recommendation	0.00	0	28,500	0	28,500
<b>FY 2009 Program Maintenance</b>					
Agency Request	11.00	0	1,379,500	0	1,379,500
Governor's Recommendation	11.00	0	1,384,700	0	1,384,700

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>1. Minimum Wage Increase</b>					
The Foundation requests spending authority be provided to increase staff salaries to keep pace with the federal minimum wage. The pay scale for seasonal employees has remained unchanged for the last 10 years. About half of the additional moneys would be provided to seasonal employees and the remainder would be spread among all employees to avoid salary compression. A 50 cent increase in the ticket price will generate the additional funds necessary to meet the request. The last ticket price increase was 50 cents in 2002 (this is a 7% increase based on the current \$7 per day rate for the olympic pool). [Ongoing]					
Agency Request	0.00	0	50,400	0	50,400
Governor's Recommendation	0.00	0	45,000	0	45,000
<b>2. Speed Slides - Lease and Staff</b>					
The Foundation requests \$40,000 in ongoing spending authority from the Foundation Fund to bond through the State Building Authority for the construction of additional speed slides at the Olympic Swimming Complex. Addition of water slides in 2001 increased attendance. The capital lease approved in 2001 has been completed leaving \$65,000 in the base to be applied to the new lease in addition to the request. Also included in the request is \$9,100 for seasonal lifeguards to staff the new equipment. Additional speed slides will result in increased attendance which improves the economy of the community and the region. [Ongoing, requires concurrent resolution]					
Analyst Comment: In a December 20 correspondence, the agency noted that a revision to project costs had increased the bond payments to \$160,000 per year of which \$80,000 was already available in the base budget. That increases the request to \$89,100 per year subject to approval of a concurrent resolution by the Legislature. The total project is now estimated at \$1.65 million for 15 years at 5% interest.					
Agency Request	0.00	0	49,100	0	49,100
Governor's Recommendation	0.00	0	49,100	0	49,100
<b>3. Infrastructure Improvements</b>					
Spending authority from the Capital Improvement Fund is requested to partner with the Division of Public Works to make infrastructure improvements. Requested projects are for the reconstruction of a footbridge for \$110,000, replace the maintenance shop for \$265,000, and seal coat the parking lots for \$50,000. The request from the Permanent Building Fund Advisory Council is \$425,000 of which \$150,000 would be agency funds. [One-time, the PBFAC staff recommended these projects in the alteration and repair budget]					
Agency Request	0.00	0	150,000	0	150,000
Governor's Recommendation	0.00	0	150,000	0	150,000
<b>4. Food Concession Stand</b>					
Spending authority is requested from the Capital Improvement Fund to construct a permanent food concession stand at the Olympic Swimming complex. Current food service is supplied by an old mobile wagon which detracts from the visual appeal of the facility. The permanent block construction will be leased to a private concessionaire to provide food service for customers using the swimming pool facilities. The lease payments from the concessionaire are expected to pay for the improvements over an eight year period. [One-time]					
Agency Request	0.00	0	85,000	0	85,000
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2009 Total</b>					
Agency Request	11.00	0	1,714,000	0	1,714,000
Governor's Recommendation	11.00	0	1,628,800	0	1,628,800
Agency Request					
Change from Original App	0.00	0	446,000	0	446,000
% Change from Original App	0.0%		35.2%		35.2%
Governor's Recommendation					
Change from Original App	0.00	0	360,800	0	360,800
% Change from Original App	0.0%		28.5%		28.5%